

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

IN RE: AUDIT OF UNITED CITIES  
GAS COMPANY'S INCENTIVE  
PLAN ACCOUNT (IPA) FOR THE  
PERIOD OF APRIL 1, 2000, THROUGH  
MARCH 31, 2001

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) 02 APR 12 PM 3 44  
) DOCKET NO. 01-00704  
) OFFICE OF THE  
) EXECUTIVE SECRETARY

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**UNITED CITIES GAS COMPANY'S MOTION TO  
RESCHEDULE CONSIDERATION OF THE  
IPA AUDIT AND TO SET AN EVIDENTIARY HEARING**

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On April 10, 2001, the Staff of the Tennessee Regulatory Authority filed a compliance audit of United Cities Gas Company's ("Company") Incentive Plan Account ("IPA") as of March 31, 2001. The audit of the IPA is presently scheduled for consideration by the Authority on the April 16, 2001 Final Conference Agenda. In the audit, the Staff made major findings, which the Company categorically disputes, as to the interpretation of the Phase I and Phase II orders in Docket No. 97-01364 and the Performance Based Ratemaking Mechanism Rider ("PBR"). In light of the magnitude of the adverse impact which would result from the Staff audit findings and the fundamental disagreement over the interpretation of the Phase I and II orders and the PBR, the Company hereby requests that the Authority set this matter for an evidentiary hearing as a contested matter. It is significant to note that this is the first audit which will call into question the interpretation and application of the PBR.

The Company would submit that there is insufficient time to adequately prepare for and to arrange for witnesses to be available to testify at the Final Conference set for April 16, 2002.

Accordingly, the Company respectfully requests that the Authority postpone consideration of the IPA audit and schedule an evidentiary hearing on this contested matter.

Respectfully submitted,  
BAKER, DONELSON, BEARMAN  
& CALDWELL, P.C.

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of interest this 12 day of April, 2002:

Richard Collier  
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Joe A. Conner